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ABSTRACT

The training course is designed to develop the awareness needed in accepting checks, as well as what to do in a situation where the person is purposely passing fraudulent checks. The format of the document is a two-column arrangement with an outline of the material to be taught juxtaposed next to suggestions for teaching the material. Four sessions make up the course. They deal with how to identify bad checks and what to do to try to recover from the loss of accepting a bad check. Suggested promotional materials and handouts are also included. (LJ)

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ED112228

STORE SECURITY: CHECK CASHING PROCEDURES

&

CASH HANDLING CONTROL

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INTRODUCTION

This training course is designed to develop the awareness needed in accepting checks, as well as what to do in a situation where a person is purposely passing fraudulent checks.

Many bad checks are honest mistakes made by honest people; thus, an awareness of the elements of a check and of the procedure used in accepting checks is needed.

With modern day methods of travel, many communities have become easy targets for the check passer. One community in Ohio with an approximate population of 15,000 reports the following: "In 1970, we (the police department) investigated only one complaint amounting to $37.00; in 1971, we received five complaints totaling $180.00; and as of March 16 for 1972, we have investigated twenty separate incidences with a loss of $2,420.52."

Fraudulent checks and money orders are a threat to your FINANCIAL SECURITY!

What are you willing to do to minimize the possibilities of such a loss?

This outline has been developed so that the instructor can use flexibility in the presentation of the material. It can be taught in four sessions of approximately two hours each for a total of eight hours, or it can be taught in a shorter period of time on an emergency basis by the use of handouts. It can be used for groups of supervisory and non-supervisory levels.

When using this course in a shorter period of time than six hours, select the handouts which can be utilized the most effectively with your presentation. Handout #2, which is taken from the film "The Paperhangers", will supplement a program based around this film.

SESSION ONE

SESSION ONE

Outline of the Material to be Taught	Suggestions for Teaching Material
I. Introduce Instructor	
A. Introduction	Give name, state, and position or role in the presentation.
B. Explain course content	Give overview of the course.
II. Purpose	Ask: What do you feel the purpose of this course is?
A. To learn the types of checks	Draw from the group.
B. To learn the elements of a check	List on chalkboard or overhead for them to discuss.
C. To learn what to look for on a check	
D. To learn what to do if a check is not properly filled out	
E. To learn what to do if you suspect a person of dishonesty	
III. Objectives	The knowledge---or facts---which the class will be exposed to.
A. To be able to identify payroll, personal, government, and bank checks.	Ask: What information do you expect or want to get from this course?
B. To become aware of the reasons for being careful and conscientious in cashing customers' checks.	Draw from the group and list.
C. To be able to identify as unacceptable, counter checks or checks without required MICR encoding.	This will be helpful for the instructor to know what topics are of greatest interest, thus spending more time on these areas and less on others.
D. To be able to identify properly filled out checks.	
E. To be able to identify improperly filled out checks.	
F. To be able to determine if an endorsement is required, and	

SESSION ONE

Outline of the Material to be Taught	Suggestions for Teaching Material
If so, to examine the endorsement to see that it is correct.	
G. To be able to courteously and properly handle suspicious checks and customers.	
IV. Policies	
A. Store	If this course is being put on for a particular establishment, you might get a copy of their policy and insert it here.
Vary according to local requirements.	
Know your store's policy concerning:	But if the course is given to heterogenous groups, make it know that everyone should know his store's policy.
1. Who is authorized to cash checks. 2. What identification is required. 3. What limit is placed on the amount of a check.	
B. Management	Discuss this with management personnel.
As management, you should set a policy on cashing checks, write it down, and instruct your employees in its use. Your policy might require your approval before a salesclerk can cash a check.	
When all check-cashers are treated alike, customers have no cause to feel that they are being treated unfairly.	
Your procedure might include the use of a rubber stamp. Many stores stamp the lower reverse side of a check and write in the appropriate information.	HANDOUT #1. Use a sample of such a stamp on the overhead.
Your policy might include using a bad check list, if one is available. Such a	

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Outline of the Material to be Taught	Suggestions for Teaching Material
list helps you to spot persons who are known or suspected to be bad check-passers.	Your better business bureau, local trade organization, or police may have such a list. Local authorities may provide such current information on forgers, hot check rings, and so on, who may be operating in your areas. SHOW FILM -- "The Paperhangers" Ohio Highway Division The film "The Paperhangers" can be used at the end of the "Policies" section (Page 2) for an overview of the course and to give them some ideas to help discussion. Or it can be used at the end of the "Types of Bad Checks" section (Page 9) as summary and reinforcement of the course. HANDOUT #2 is taken from this film. DISCUSSION -- If the film is used at the end of the "Policies" section, have a brief discussion or go directly into the next section of the course. If film is used at the end of the "Types of Bad Checks" section, a summary discussion is in order. There are handouts throughout the course which can be used to supplement the film. Select the ones that fit your presentation.
You should frequently review your policy and procedure on check cashing with your employees. Remind them about what to watch for in spotting bad checks. Employee apathy toward accepting checks is a big reason why stores get stuck with bad checks. The bigger the store, the more difficult it is	

Outline of the Material to be Taught	Suggestions for Teaching Material
to keep employees interested in catching bad checks. One effective way is to show employees your bad checks.	
V. To cash checks OR not to cash checks?	
A. Why cash checks?	Ask: Can cashing checks be profitable? Discuss.
1. As a service, to attract and retain customers--- customers will shop in the store confident that they can cash checks to pay for their purchase.	Ask: Why do we cash checks for our customers? List reasons on chalkboard and discuss.
2. Means of getting to know customers by name (Who doesn't like to be called by his own name?)	
B. Adversities of cashing checks	Ask: What problems are involved when cashing checks? List and discuss.
1. Through simple errors or outright dishonesty, many checks could prove to be worthless.	This should create a lot of discussion:
2. Direct loss to your store if the check is bad.	It is simpler than one would think for a store with inadequate check cashing policies to be forced into bankruptcy.
In order to provide a check cashing service, then, certain policies must be followed to insure against loss!!	
GOOD check cashing procedures will reduce or eliminate the chance of being swindled by the "bad-check artist". But there is also the case of completely honest individuals who often make mistakes.	
VI. Check Defined	
A. A written order to a bank to pay the amount of money stated.	Ask: for definitions---you might list them.
An instrument used to spend money on deposit in a checking account at a bank.	Webster's Dictionary
	Ohio Bankers Association

SESSION ONE

Outline of the Material to be Taught	Suggestions for Teaching Material
B. Identify the parts of a check. 1. Date 2. Amount 3. Signature 4. Name 5. Endorsement	HANDOUT #3.
VII. Types of Checks	
A. Personal Check A check written by an individual to pay for something he has purchased.	Ask: What is the most common type of check you will be offered by the customer on the floor? (Personal.) Example --- HANDOUT #3. Ask: What makes it a personal check? (Key word is individual.)
B. Payroll Check A check written by a company to an individual for work he has done. It is advisable to pre-establish check cashing privileges for and to maintain an active file on these companies. Payroll checks should not be accepted on the first occasion until you verify the party's employment with his employer and investigate the financial conditions of the company. Always compare the party's occupation listed on his identification.	Example --- HANDOUT #4. Ask: What makes it a payroll check? (Key word is company.)
Personal and payroll are the two most common types you will encounter.	HANDOUT #5 Answers: A. Personal B. Payroll C. Personal
C. Government Checks Issued by national, state, and local governments for a	Ask: for reasons why they are usually written to individuals? Example --- HANDOUT #6.

Outline of the Material to be Taught	Suggestions for Teaching Material
variety of reasons: refunds, welfare payments, retirement plan, etc. Treasury Check---The Treasury Department reports that nearly 50,000 Treasury checks are forged each year, and that businessmen suffer 90% of the loss because they fail to ask for proper identification. ALWAYS compare the purpose of the check to the person presenting it. For example, a young person would not be cashing a pension check. Make CERTAIN the check is endorsed in your presence, record two types of identification, and write your initials on the check.	
D. Business and Industry In addition to issuing payroll checks, they issue checks to individuals for dividends on stocks, expense account payments, refunds, etc.	Ask: for reasons for issuing this type. Example --- HANDOUT #6.
E. Banks 1. Money Orders. If a money order is fraudulently negotiated, it will be returned, so accept only if recourse from the endorser is possible. American Express states that most Money Orders are made payable to companies and only a small number to individuals. DO NOT cash if amount is altered or erased, or if the amount is in excess of	Ask: for types of bank checks issued. Example---HANDOUT #6.

SESSION ONE

Outline of the Material to be Taught	Suggestions for Teaching Material
printed limit. Use as much caution handling money orders and other official checks as you would take in handling personal checks. In addition, a Money Order can be passed as a check. However, a money order is usually bought to send in the mail. Most stores should not accept them in face-to-face transactions. Some small stores sell money orders. If yours does, never accept a personal check in payment for them. If the purchaser has a valid checking account, he does not need a money order. He can send a check in the mail. 2. Certified Check The acceptance of a check or draft by the drawee bank is evidenced by a stamp placed on the face of the instrument and signed by an officer or some other authorized employee of the drawee bank. On certification, the bank charges the drawer's account and the instrument becomes the primary liability of the certifying bank. 3. Traveler's Check. A check sold with a preprinted amount (usually in round figures) to travelers who do not want to carry large amounts of cash. The traveler signs the checks at the time of purchase.	

Outline of the Material to be Taught	Suggestions for Teaching Material
When cashing Traveler's checks, have the person countersign in the lower left corner of the check in your presence. If countersignature agrees with the signature appearing in the upper left corner, you may accept without risk of loss to you. If a check has already been countersigned, have the check signed again on the back so you can compare signatures for agreement.	
Bank issued checks can be cashed in the same way as other checks. Rules mentioned in this course will pertain to all types of checks.	
F. Counter Checks	Example --- HANDOUT #7
A personal check used by a person when he had forgotten his own checks. Name of the bank was not printed on the check but was written in by the customer.	
NO LONGER ACCEPTABLE and should not be cashed in your store.	Ask: Why?
Banking regulations require that all checks processed contain special printing along the bottom of the check. This is called "MICR ENCODING" and is used by the bank's electronic check-processing equipment to process the check.	Example of MICR ENCODING --- HANDOUT #7. Since September, 1967, checks lacking routing numbers cannot be routed through the Federal Reserve System.
Checks without this MICR ENCODING will not be accepted by most banks, since their electronic equipment cannot produce them.	

Outline of the Material to be Taught	Suggestions for Teaching Material
Since counter checks do not contain MICR ENCODING, they should not be cashed in your store; they will likely be refused by the bank.	
G. Two-Party Personal Checks A two-party check is issued by one person to a second person who endorses it so that it may be cashed by a third person. This type of check is most susceptible to fraud because, for one thing, the maker can stop payment at the bank. Reports indicate a high risk in accepting this type of check. If accepted, the purpose of the check should be verified by phone with the maker. Obtain the address and phone of both parties, the maker and the endorser. Make certain the check is endorsed.	Ask: for explanation or description of this type of check.
VIII. Illegal Ways of Obtaining Checks Printed checks can be forgeries; could be stolen and then forged. Government issued checks are favorites for stealing and forging. A. Thefts from mail boxes are the principal source of forged government checks. B. Offices and plants may have their supply stolen. C. Opening a small account in any bank will provide the dishonest person with an ample supply of personal checks.	Ask: How difficult is it to obtain checks? Ask: What are some of the ways to obtain checks legally and illegally? Discuss.

SESSION ONE

Outline of the Material to be Taught	Suggestions for Teaching Material
D. Checks can even be printed by someone if he has a minimal number of special check-writing machines.	These machines are often stolen from legitimate businesses. Any of the types of checks discussed here can be invalid if they were obtained in illegal ways. It is your job to exercise extreme caution in cashing checks for customers. Remember, your store offers a check cashing service because it is an appreciated convenience for customers. However, there is the danger of cashing worthless checks---checks that are invalid because of simple mistakes, or because of outright dishonesty. END OF SESSION ONE.

SESSION TWO

SESSION TWO

Outline of the Material to be Taught	Suggestions for Teaching Material
	Guest Speakers --- If time allows, use a law enforcement officer or a bank official to discuss the elements of an acceptable check and/or identification.
I. Checks Written with Pencil	Ask: Are they valid? Should they be cashed?
A. Technically, they are valid.	
B. Generally not acceptable and should not be cashed in your store.	
Because they are more easily altered, it is poor practice to write or to accept checks written in pencil.	Ask: How can you overcome this situation? Always have pens available for the customers' use.
II. Elements of an Acceptable Check	HANDOUT #8. As you talk about each part of the check, point it out on the overhead.
Before accepting a check, look for:	
A. Name of bank, city, and state MUST be printed on the face of the check---not typed, not written.	NONLOCAL BANKS --- Use extra care in examining a check that is drawn on a nonlocal bank and require the best type of identification. List the customer's local and out-of-town address and phone number on the back of the check.
B. Printed MICR ENCODING, which identifies the customer's account and the bank.	
C. Payroll checks MUST have the firm printed---not typed or written---on the face of the check. This also applies to other types of checks issued by businesses, governments, and commercial establishments.	
D. Personal checks will often have the individual's name and address printed on the face of the check. If not, be sure the signature is legible.	Refer to HANDOUT #5.
E. All blank lines MUST be filled in.	

SESSION TWO

Outline of the Material to be Taught	Suggestions for Teaching Material
F. The DATE 1. Unacceptable if dated ahead. 2. Unacceptable if dated more than 30 days ago. 3. Unacceptable if not dated.	HANDOUT #8. Give examples of the good and bad elements on the overhead.
G. Figures and written amounts MUST agree.	HANDOUT #9. Read and discuss.
H. Endorsement	Example --- HANDOUT #10.
1. There will be times when the check you are cashing will not be made out to your store, but will be made out of the person who is cashing it.	
2. Whenever this happens, the person who is giving the check to you must endorse, or sign, the back of the check.	
3. When a person endorses a check, he must sign his name exactly as it appears on the front of the check. Always have the check endorsed in your presence.	Example --- HANDOUT #11.
	Signature: 1. The imprinted name and the signature should agree. 2. Teenagers may try to cash parents' checks. 3. Make sure the person signs the check in your presence. 4. Drunken people cannot be charged with intent to defraud; don't cash their checks. 5. Erasers on checks should be questioned.
H. Watch for restrictive endorsements---when an endorsement says that the check must be cahsed in a special way.	Example --- HANDOUT #12.

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Outline of the Material to be Taught	Suggestions for Teaching Material
In your job, checks with restrictive endorsements are UNACCEPTABLE.	HANDOUT #8. Which of the following checks are unacceptable? A, B, & C, are unacceptable because they have restrictions or restrictive endorsements.
For Deposit Only --- Restricts further endorsements and regulates final payment. Should not be cashed by your store.	
Pay To - OR - Pay To The Order Of --- Shows the next person in line who must endorse the check. Checks endorsed to a company other than your own should be avoided.	
5. Restrictions on the face of the check --- unacceptable and may not be cashed by your store.	HANDOUT #13. Which of the following are unacceptable and why? A. is invalid (it is for more than $100) B. is invalid (it may be cashed only at bank's home office) C. has no restriction on face of check
I. Checks made out to two people. Both people must endorse it.	
J. Legibility. Do not accept a check that is not written legibly. It should be written and signed in ink and must not have any erasures or written over amounts. Signature must be legible. The name of the person to whom the check is made payable must be legible.	

SESSION TWO

Outline of the Material to be Taught	Suggestions for Teaching Material
K. Checks over your limit. Set a limit on the amount you will accept on a check. When a customer wants to go beyond that limit, your sales clerk should refer him to you (the manager).	
III. Identification Once you are satisfied that the check is O.K., the question is, "Is the person holding the check the right person?" Requiring identification helps you to answer the question.	HANDOUT #15. Discuss.
Some stores demand at least two pieces of identification. It is important to get enough identification so the person presenting the check can be identified and located if and when the check turns out to be worthless.	
KEEP IN MIND THAT NO IDENTIFICATION IS FOOL PROOF. A crook is a crook no matter what type of identification you ask him to show. If he wants to forge identification, he can.	
A. Regardless of the type of identification you require, it is essential that you and your employees compare the signature on the check with the one on the identification. You should compare the person standing before you with the photograph and/or description on the identification.	"His writing did not compare with his character and age," the owner-manager of a store in the Midwest said. He was referring to a forger he helped catch. The forger was a tall, athletic-looking man, but his writing was like a woman's. It was small and precise. Moreover, he wrote very slowly and carefully.

SESSION TWO

Outline of the Material to be Taught	Suggestions for Teaching Material
B. The following types of identification should be useful in determining the type to use in your store. 1. Current Automobile Operator's License --- If the licenses in your state do not carry a photograph of the customer, you may want to ask for a second identification. 2. Automobile Registration Card --- Be sure the name of the state agrees with the location of the bank. If it doesn't, the customer must have a plausible reason. Also, make sure that the signature on the registration and check agree. 3. Shopping Plates --- If they bear a signature or laminated photograph, shopping plates and other credit cards can be used as identification. The retail merchants' organization in some communities issues lists of stolen shopping plates to which you should always refer when identifying the check-passer. 4. Government Passes --- They can also be used for identification in cashing checks. Picture passes should carry the name of the department and a serial number. Building passes should also carry a signature. 5. Identification Cards --- Such as those issued by the armed services, police departments, and companies, should carry a photo, a	

SESSION TWO

Outline of the Material to be Taught	Suggestions for Teaching Material
description, and a signature. Police cards should also carry a badge number. C. Several types of cards and documents are not good identification. Some of them (such as club cards) are easily forged, and others (such as customers' duplicate saleschecks) were never intended for identification. Unless they are presented with a current automobile operator's license, do not accept the following: Social Security Cards Business Cards Club or Organization Cards Bank Books Work Permits Insurance Cards Learner's Cards or Permits Letters Birth Certificates Library Cards Initialed Jewelry Unsigned Credit Cards Voter's Registration Cards Customer's Duplicate Saleschecks Some large stores photograph each person who cashes a check along with his identification. This procedure is a deterrent because bad check passers don't want to be photographed. Insist on POSITIVE identification. Require two identifications and compare them.	Use HANDOUT #16 and HANDOUT #17. Discuss.

SESSION TWO

Outline of the Material to be Taught	Suggestions for Teaching Material
IV. Types of Bad Checks	Ask: What are some of the types of bad checks? List.
A. Those written with insufficient funds.	
B. Post-dated checks.	
C. Forgeries.	
D. Those written on no account.	
E. Those stolen.	
F. Those not completely filled out.	
V. What To Do When a Customer Presents an Unacceptable Check.	Ask: "What do you do when a customer presents an unacceptable check?"
A general rule to remember is:	
You may simply ask the customer to fill in the required information, correct the check, or make a new one.	
Just remember to be courteous in whatever you must say to the customer presenting an unacceptable check.	
B. Occasionally, you will have to refuse to cash a check:	
"I'm sorry, but you've left one of the lines blank. Would you fill it in, please?"	HANDOUT #18 (A.) What would you say to the customer presenting this check?
"Would you endorse the check, please?"	HANDOUT #18 (B.) What would you say to the customer presenting this check?
"I'm sorry, but the two amounts on this check do not agree. Could you make out another check, please?"	HANDOUT #19 (A.) What would you say to the customer presenting this check?
"I'm sorry, but I can't accept checks written in pencil. Can you write a new one? I have a pen if you need it."	HANDOUT #19 (B.) What would you say to the customer presenting this check?

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Outline of the Material to be Taught	Suggestions for Teaching Material
"I'm sorry, but I cannot accept counter checks. Do you have a personal check supplied by your bank that you can fill out for me?"	HANDOUT #19 (C.) What would you say to the customer presenting this check?
"I'm sorry, but I'm not allowed to cash checks dated more than thirty days ago. Can you make out a new one, please?"	HANDOUT #20 (A.) What would you say to the customer presenting this check?
"I'm sorry, but I'm not allowed to cash checks dated more than thirty days ago. Perhaps the bank will cash it for you."	HANDOUT #20 (B.) What would you say to the customer presenting this check?
There may be times when you must refuse to cash a customer's check. For example, if a young man presents what is supposed to be his pension check, you'd have reason to be suspicious. If a payroll check appears to be altered in any way, you might be suspicious. In all cases, USE TACT AND COURTESY.	
	"You are not obligated to take anyone's check." Even when a stranger presents satisfactory identification, you do not have to take his check.
Never accept a check if the person presenting it appears to be intoxicated.	
Never take a check if the person acts suspiciously, appears nervous, and is over-attentive to the people about him. He may try to rush you or your employees while you are checking his identification.	
	If suspicious, start stalling. When you stall, most suspects leave in a hurry.
Politely refer the customer to the store manager if he is available, or ask the customer to come back when he can talk to the manager.	

SESSION TWO

Outline of the Material to be Taught	Suggestions for Teaching Material
	Suppose a shabbily dressed man wants to cash a large personal check and he has little or no identification. The manager is out to lunch but is expected back in about fifteen minutes . . .
"I'm sorry, sir, but I'm not allowed to cash checks without proper identification. However, my manager will return very shortly and he'd be happy to help you."	Ask: What would you say to this customer?
REMEMBER --- Be courteous in your refusal. If you are polite and cordialy, you can refuse the check without losing a customer.	
	Use HANDOUT #21 and HANDOUT #22.
	Review and discuss.
	END OF SESSION TWO.

SESSION THREE

SESSION THREE

Outline of the Material to be Taught	Suggestions for Teaching Material
I. What Can You Recover? Whether you can recover a bad check depends on the person who gave it to you and his circumstances. He may be one of your best customers who inadvertently gave you a check when the funds in his bank account were insufficient. On the other end of the scale, he may be a forger.	You should check the practices of your bank. Some stores prosecute if the customer does not redeem such a check within a week of the second return. Stores with a reputation for being easy-going about insufficient funds checks usually receive plenty of them.
A. Insufficient Funds. Most checks returned because of insufficient funds clear the second time you deposit them. Simply notify the customer that he has overdrawn his account and that you are redepositing his check. But if the check returns a second time, in some localities, it is the retailer's collection item. He must notify the maker and ask for immediate payment.	The procedure on prosecution depends on the state. In one jurisdiction, for example, a merchant must send the check writer a certified or registered letter and give him five days from date of receipt of that notice to comply before the merchant can prosecute. In another jurisdiction, the maker has five days after the date of notice to make the check good. In a third, a resident has ten days to make good his check.
B. No Account. Usually you've lost when the bank returns a check marked "no account". Such a check is evidence of a swindle or a fraud unless there has been an extraordinary error. In rare instances, a customer may issue a check on the wrong bank or on a discontinued account. You should quickly determine what the circumstances are. If the person is known in the community, proceed with your collection efforts. If you find yourself "stuck" with the check, call your police department.	
C. Closed Account. A check marked "closed account"	

Outline of the Material to be Taught	Suggestions for Teaching Material
is a warning of extreme carelessness or fraud. Accounts are closed by both individuals and by banks. The latter may close an account because of too many overdrafts. An individual may open a new account by removing funds from his old account. In such cases, he may forget that he has issued a check that is still outstanding against the old account. If you don't get your money back within a reasonable time, you should consider prosecuting the check writer.	You should check with your lawyer about local practices on collecting through the courts on a bad check which a customer used to pay on his account.
D. Forgery.	
Forged checks are worthless. Any illegal signature(s) of the maker of the check, forgery of the endorsement, alteration, erasure, or obliteration on a genuine check is a crime. Watch out for smudged checks, misspelled words, poor spacing of letters or numbers indicating that changes may have been made. Payroll checks with the company's name and address typed in could be fraudulent. Most payroll checks are printed.	HANDOUT #23. Stop Payment Checks.
A bad check issued to pay for merchandise taken is not a theft but a misdemeanor. It is an exchange---the check for goods. A misdemeanor carries a lighter penalty than a theft, since a check may be collectible through civil procedures. Criminal action may be taken through signing a formal charge with the police.	When you suspect forgery, call the police; you help protect yourself and others against further forgery. You should refer a forged U. S. Government check to the field office of the U. S. Secret Service. A forged check transported in interstate commerce is a Federal offense.

SESSION THREE

Outline of the Material to be Taught	Suggestions for Teaching Material
GET EVIDENCE. You cannot prosecute bad check passers without good evidence. The person who cashed the bad check should be positively identified and connected with the receiving of money for it.	
TEACH EMPLOYEES BY POINTING OUT ERRORS	One way to keep employees aware of what to look for is by showing them the bad checks which the bank returns. Hopefully, you don't have as many as one large city store that received 28 worthless checks in less than a week. When they were analyzed, the following common mistakes were highlighted for employees: On three, the written amount and the numerical amount differed. Two were not endorsed at all. One was endorsed improperly. Two were made out to a different store. One had no signature where the maker should sign. Two were dated incorrectly. Ten were counter checks and unacceptable. Four had either improper or no identification. Two had no address. One was post-dated.
TO AVOID SUCH MISTAKES, IMPRESS ON YOUR EMPLOYEES THE NECESSITY TO READ, COMPARE, AND THINK.	HANDOUT #24. Read and discuss.
II. Possible Solutions If Bad Checks Are A Particularly Large Problem To You.	Ask: for some possible solutions in helping to control the bad check problem.
A. Use check photos---bad check writers are camera shy.	

SESSION THREE

Outline of the Material to be Taught	Suggestions for Teaching Material
B. Require fingerprints on back of checks.	
C. Require customers to use your company's identification cards.	
D. Ask for the telephone number of their residence and call before cashing checks.	(Accept Cash -- Not Trash)
E. Check with bank before cashing customer's check.	
F. Keep an up-to-date list of known bad check passers and use it when in doubt.	"ALL STRANGERS ARE NOT PAPER HANGERS--- BUT ALL PAPER HANGERS ARE STRANGERS."
III. State Check For $200,984 Cashed By Woman Forger.	The following is an article taken from the Zanesville newspaper, May 12, 1972.

State Check For $200,984 Cashed By Woman Forger

Columbus, Ohio (UPI) -- A workmen's compensation check for $84.36 was rather messily altered by a woman to read $200,984.36 and a bank cashed it, state Treasurer Gertrude Donahey said Thursday.

The treasurer said the unidentified forger fled with the money to Florida, but was found by police last Friday. All but $7,000 was recovered.

Mrs. Donahey said plans had been carefully laid for cashing the check at a bank in Trotwood, a Dayton suburb.

"For the past several months when she went to the bank to cash her compensation check, she informed officials she would soon get a large sum settlement," the treasurer said.

When the woman presented the large check, she was not questioned.

SESSION THREE

Outline of the Material to be Taught	Suggestions for Teaching Material
	Mrs. Donahey said erasure marks were visible on the check and a typewriter, whose type was larger than other figures on the check, was used to type in the new sum. The treasurer said the check cleared another bank in Dayton and was not caught until it came back to her office.
IV. 10 Facts Not Everybody Knows About Checks.	HANDOUT #26.
	END OF SESSION THREE.

SESSION FOUR

SESSION FOUR

Outline of the Material to be Taught	Suggestions for Teaching Material
	Guest Speakers --- If time allows, use a bank official, law enforcement officer, or a member of the Secret Service to discuss short-change artists.
I. Protect Yourself From Short-Change Artists	
A crowded department store with busy salespeople offers a lucrative field for the fast-moving, fast-talking short-change artist.	
Often he is a smartly-dressed man---frequently a young man---who has a pleasant voice but talks extremely fast.	
He tries to confuse you by interruption or change disputes.	Ignore any interruption until you have finished making change, and then answer the customer's request or question. Complete making change before adding another item to the purchase or making an exchange. Don't let the customer do your thinking for you.
II. The Short-Change Artist's Methods.	
A. He claims he gave you a larger bill than he actually did.	Ask: for ways to handle this. Call out the amount of the order and the amount tendered, and lay the customer's money on the shelf above the cash drawer until he leaves.
B. Staged by a team of two persons: The first enters the store, buys some small item, and presents a $5 bill. The sales person gives the correct change and places the $5 bill in the cash drawer. Minutes later the second of the two enters and buys some small item, paying for it with a $1 bill. After the bill has	

Outline of the Material to be Taught	Suggestions for Teaching Material
been placed in the cash drawer and the change counted out, the customer turns to leave, but immediately stops and says, "Say, I gave you a $5 bill and you gave me change for a $1." When you disagree, he replies, "I know it was a $5 bill, because I remember someone had written the name John on the bill with red ink." Of course when you look in the cash drawer, you find the $5 bill that the customer has described, because it was given to you by the previous customer.	Ask: for ways to handle this. Best DEFENSE against this method is to observe both sides of each large bill presented you. If you notice any unusual marking, casually call the customer's attention to it. The marking may be a blot of ink, a torn corner, a phone number, or anything that might identify the bill. If the person presenting the bill is a member of a short-change team, he will realize from your remark that you are knowledgeable and will abandon the attempt. If you are not certain whether the customer presented a large or small bill, do not be persuaded by his argument. Call your manager to handle the situation. Then have the cash drawer checked. The team can trick you in spite of your precautions. Even though you have laid his small bill on the register shelf, he can claim you have switched bills.....he can claim you are the dishonest person! Call your manager.
One mistake people often make is to <u>think</u> they gave you more money than they actually did. For example, a customer may	

SESSION FOUR

Outline of the Material to be Taught	Suggestions for Teaching Material
think he gave you a $5 bill when it was actually a $1 bill.	Calling out the amount of the order and the amount tendered will help to avoid later confusion.
C. He makes a purchase of a dollar or less, which he pays for with a $20 bill. The change given him, therefore, will consist of a $10 bill, a $5 bill, and four $1 bills, possibly with change for the remaining dollar. After he receives the $10, the $5, and four $1's, the manipulator immediately places the $10 bill in his pocket and takes out a $1 bill, meanwhile keeping up his pleasant chatter by discussing various other matters. Suddenly, he tells the sales person he has just found a $1 bill in his pocket, and suggests that she can use the single bills to better advantage than he can, so he would like to exchange the five $1's for a $5 bill. The sales person therefore gives him the $5 bill for the five singles. Continuing a pleasant line of chatter, he then asks her for a $10 bill in exchange for two $5's. He receives the $10 bill but does NOT return the two $5 bills, distracting the girl's attention by continued and constant conversation. At the psychological moment, the manipulator asks the sales person to let him have the original $20 bill back, at the same time pushing or handing back the $10 bill he has just	

Outline of the Material to be Taught	Suggestions for Teaching Material
received and the two $5 bills which he had NOT returned for the $10 bill. He receives the $20 bill and leaves the store. The result is that the sales person is short $10 at the end of the day.	Ask: for ways to handle this. ALWAYS get the customer's money first, regardless of how many times change is asked for. ALWAYS call out the size of bill tendered by the customer. NEVER be in a hurry to make change. Be accurate in seeing that each change transaction is wholely completed before handling another change transaction.
D. When you are in the middle of counting change, he will suddenly remember he wanted something else and ask you to add it onto the sale. Or, he will interrupt you to ask you to change a large bill.	Ask: What should you do if the customer interrupts you? Politely acknowledge the request and continue what you are doing. When you reach a point where you may handle his request without confusion, thank him for waiting and do as he asked. Example --- Assume you are counting change. The customer asks you to change a $20 bill. What should you say? "Certainly, just a moment, please." Example --- Suppose you had just recorded an amount and were about to begin counting change. The customer suddenly remembers something and says, "Oh, I want a pack of cigarettes, too, please." What should you say?

SESSION FOUR

Outline of the Material to be Taught	Suggestions for Teaching Material
	"Certainly, just a moment, please." AFTER counting out his change, say, "What brand of cigarettes do you want?" Handin the cigarette sale separately.
E. A skilled person can split a bill, separating the face from the back. This sounds difficult---and it is---but it can be done. Splitting a $20 bill---gluing the face of the $20 bill to the back of a $1 and the back of the $20 to the face of a $1---produces $40 instead of $21. Each bill is presented with the $20 side showing.	
Another way of altering money is to cut it in half, attaching the right half of a large bill to the left half of a small bill. This method is effective only when presenting several large bills or when the bill is folded.	Ask: for ways to handle this.
	Examine both sides to be certain it has not been altered. If you should find that you have been given an altered bill, make no comment to the customer but call your manager immediately.
	Suppose that in spite of your precautions, a customer claims to have been "short-changed".
	DO close the cash drawer.
	DO call your supervisor or manager to handle the situation.
	DON'T argue with the customer.
To Protect Yourself and Your Store Against Short-Change Artists:	
1. Be alert, but not overly suspicious.	

SESSION FOUR

Outline of the Material to be Taught	Suggestions for Teaching Material
2. Never make accusations. 3. Even though you feel sure the customer is wrong, be courteous. 4. If you are reasonably sure a person is a short-change artist, report his appearance to your employer or the police, and let them take the responsibility of apprehending him. 5. You can help by getting a description and license number, if possible. Also, try to delay the suspect.	END OF SESSION FOUR.

SUGGESTED PROMOTIONAL MATERIALS

SUGGESTED PROMOTIONAL MATERIALS

Outline of the Material to be Taught	Suggestions for Teaching Material
I. Flyer -- for an eight-hour course. Fill in the areas left blank and distribute them to the businesses to promote your class.	HANDOUT #27.
II. Flyer -- for multiple sessions within a day. Shorten the course and develop it around one of the films suggested for the course to make either one hour or one-and-a-half hours in length for each of six or eight sessions.	HANDOUT #28.
III. Free, Take One -- As a means of distributing flyers, place this above a stock of flyers promoting the course. Place these in employee lounges. Place these in the Chamber of Commerce building. Place them in any facility where there is employee, employer traffic.	HANDOUT #29.
IV. Tent Card -- This can best be printed on light-weight cardboard and used as a name card. Have the participants legibly print the name they wish to be called and the business with which they are associated on both sides of the card, then fold it in half. half.	HANDOUT #30.

HANDOUTS

HANDOUT #1

PRINT

SALES PERSON—NAME AND NO.

AUTH. SIGNATURE

CUSTOMER'S ADDRESS

HOME PHONE BUSINESS PHONE

IDENT. NO. ONE

IDENT. NO. TWO

IDENT. NO. THREE

DEPT. NO. AMOUNT OF SALE

TAKE SEND C.O.D. WILL CALL

HANDOUT #2

Information From

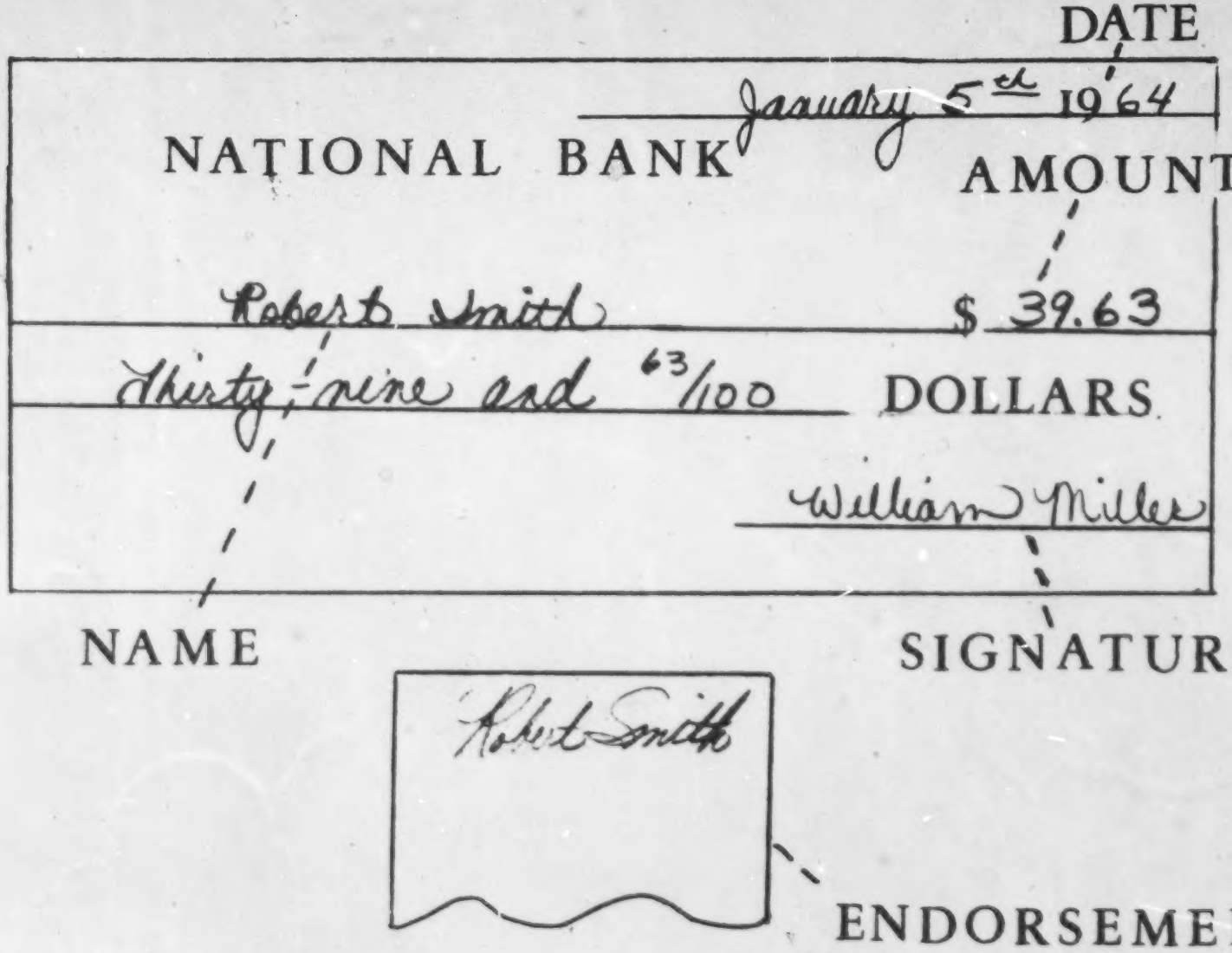
"THE PAPERHANGERS"

Eight Rules To Help You Reduce Losses From Bad Checks

1. If it is a payroll check, make sure the company name is printed---not stamped or typed.
2. Accept checks only on local companies and on local banks.
3. Check the date---no post or predated checks.
4. Notice location of bank and the bank code number.
5. Check the amount in figures and the written amount.
6. Make sure that the signature is clear and legible.
7. Watch for printed restrictions.
8. Make certain passer endorses check in your presence and in ink. (Write the address, telephone number, and types of identification used on check.)

Some Hints To Follow

1. Accept no third party checks unless passer is known.
2. Government checks are not always "good as gold"---they can be stolen. Use common sense---would a young person be cashing a Social Security check?
3. Know your endorser.
4. Request multiple identification. Don't allow the passer to tell you what identification will be used---ask for more.
5. Beware of passer who tells you he knows the owner or prominent local person.
6. Never allow yourself to be distracted or hurried.
7. Be alert for alterations, blots, blurs, illegible signature, retraced strokes, changes in ink or width of ink lines.
8. Be especially alert on weekends and holidays.
9. Beware of customer who wants to cash more than one check a day.


DATE
January 5th 1964
NATIONAL BANK
AMOUNT
Robert Smith
$ 39.63
Thirty-nine and 63/100 DOLLARS
William Miller
NAME
SIGNATURE
Robert Smith
ENDORSEMENT

HANDOUT #4

PAYROLL CHECK

NATIONAL MANUFACTURING COMPANY
61 High Street - Anywhere, U.S.A. 45402

60-541
433

Pay To The Order Of	*Date*	*Check Number*	*Amount*
PHILLIP WILFORD	MAR 30; 6-	0206938	$100.65

ANY BANK AND TRUST
ANYWHERE, U.S.A. 43601

C. K. Hopkins
Authorized Signature

⑆0610-0003⑆ 80···0017 4⑈

HANDOUT #5

Label the following checks as personal or payroll.

A. _____

CHARLES CHESTER or
JANE CHESTER
5430 Dakota Street
Anywhere, U.S.A. 45309

548

56-30
422

April 7 19 6-

Pay To The Order Of Don's Supermarket $ 32.61

Thirty-two and 61/100 Dollars

FIRST BANK
OF DAYTON

Charles Chester

⑆042200300⑆ 27-030 729 0"

B. _____

NATIONAL MANUFACTURING COMPANY
61 High Street - Anywhere, U.S.A. 45402

60-541
433

Pay To The Order Of	Date	Check Number	Amount
CARNER LESTAGE	APR 7, 6-	329877	$102.46

ANY BANK AND TRUST
ANYWHERE, U.S.A. 43601

C.K. Lewis
Authorized Signature

⑆061000003⑆ 80-0017 4"

C. _____

CHARLES CHESTER or
JANE CHESTER
5430 Dakota Street
Anywhere, U.S.A. 45309

549

56-30
422

April 7 19 6-

Pay To The Order Of Marion Wigner $ 5.00

Five and 00/100 Dollars

FIRST BANK
OF DAYTON

Jane Chester

⑆042200300⑆ 27-030 729 0"

HANDOUT #6

GOVERNMENT CHECKS are issued by national, state, and local governments for a variety of reasons---refunds, welfare payments, retirement plans, and so on.

TREASURY OFFICE — ANY CITY, U.S.A. 43601 — GOVERNMENT OFFICES — 83-0024 / 964

826

Pay To The Order Of: BONNIE SMITH, 123 MILE STREET, ANYWHERE, U.S.A.

Date: APR 7, 6-

Amount: $123.70

ANY BANK AND TRUST
ANYWHERE, U.S.A. 43601

Don Evans
Authorized Signature

⑆0810⑈1423⑆ 30⑈223 7⑈

BUSINESS AND INDUSTRY -- in addition to issuing payroll checks, they issue checks to individuals for dividends on stock, expense account payments, refunds, and so on.

NATIONAL MANUFACTURING COMPANY — 51-322 / 961
61 High Street - Anywhere, U.S.A. 45402

925

Pay To The Order Of: SAM JONES, 100 MAIN STREET, ANYWHERE, U.S.A.

Date: APR 7, 6-

Amount: $233.98

ANY BANK AND TRUST
ANYWHERE, U.S.A. 43601

Ann Smith
Authorized Signature

⑆0433⑈0541⑆ 101⑈590⑈986

BANKS will issue MONEY ORDERS, CERTIFIED CHECKS, TRAVELERS CHECKS which can be cashed in the same way as other checks.

475 ANY CITY, April 7 19 6- NO. 309

79-2424 / 810

ANY BANK AND TRUST
ANYWHERE, U.S.A. 43601

Pay to the Order of: Dons Cos — $ 15.01

Fifteen and 1/100 Dollars

Sam Johnson
Signature

⑆0810⑈2424⑆ 40632 411⑈

HANDOUT #7

THE COUNTER CHECK IS NO LONGER ACCEPTABLE AND SHOULD NOT BE CASHED IN YOUR STORE.

BANK First Bank of Dayton
Dayton, Ohio

June 16 19 6-

PAY TO THE ORDER OF Doris Supermarket $ 31.04

Thirty-one and 04/100 DOLLARS

Elizabeth Short

ANY BANK AND TRUST
ANYWHERE, U.S.A.

⑆0433⑆ 0541⑆ 101⑈590⑈ Authorized Signature

MICR Encoding

HANDOUT #8

UNITED PRODUCTS CORPORATION
500 MADISON AVENUE
NEW YORK, NEW YORK 10022

NO. 2071

1-67
210

DATE _____ 19 ____

Pay _____ DOLLARS $ _____

TO
THE
ORDER
OF

UNITED PRODUCTS CORPORATION

_____

IRVING TRUST COMPANY
ONE WALL STREET
NEW YORK

⑈021⑆0067⑆ 242⑈0⑈02418⑆

HANDOUT #9

I. Post-Dated Checks

A. A check dated in the future.

Criteria: date of negotiation determines post-dating.

B. Why are checks post dated?

1. Drawer has no funds.
2. Drawer anticipates performance of payee.
3. Drawer and payee awaiting performance of third party.

C. Paying bank will refuse to honor post-dated check.

1. If check cashed or paid through error, the bank has probable loss.
2. Post-dated check cashed by merchant.
   a. Will be returned by bank.
   b. If unable to locate customer, has probable loss.

D. Cash only checks <u>on date</u>.

1. Inspect check carefully.
2. If cashed by error, try to obtain replacement check.
3. May hold reliable customer without completing transaction (Eg., payment of loans, delivery of merchandise).
4. Try presentation again when date is current.

II. Pre-Dated Checks

A. A check dated prior to transaction date.

B. Why do we encounter pre-dated checks?

1. Payee has been careless in negotiation.
2. Check has been misplaced.
3. Error in issuing. (A common error: year dates at turn of new year)
4. Limitation of dating printed on check.'
   a. Typical wording "Not good after 60 days".
   b. This is done for the convenience of drawer---reconciling statements, desiring prompt clearance of checks.

C. Out of date checks cashed are a loss.

1. The remedy would be to secure immediately either cash or a new, valid check.

2. Request permission from drawer for payment at his bank.

D. Without stating a specific limitation, checks legally have a good date six months from the issued date.

HANDOUT #10

There will be times when the check you are cashing will not be made out to your store, but will be made out to the person who is cashing it.

UNITED PRODUCTS CORPORATION
500 MADISON AVENUE
NEW YORK, NEW YORK 10022

NO. 2056

1-67
210

DATE April 17 19 6-

Pay Thirty-two and 77/100 ---------- Dollars $ 32.77

To The Order Of
Larry Foster
210 Bell Avenue
Zanesville, Ohio

UNITED PRODUCTS CORPORATION
Ralph L. Wells

IRVING TRUST COMPANY
ONE WALL STREET
NEW YORK

⑆0210⑈0067⑆ 242⑈0⑈02480⑈

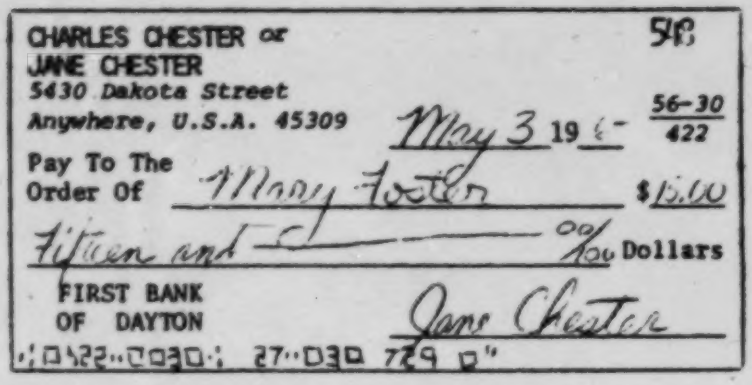
Whenever this happens, the person who is giving the check to you must ENDORSE, or sign, the back of the check.

Larry Foster

HANDOUT #11

When a person endorses a check, he must sign his name exactly as it appears on the front of the check.

This endorsement is acceptable.


CHARLES CHESTER or
JANE CHESTER
5430 Dakota Street
Anywhere, U.S.A. 45309

518

56-30
422

May 3 19 6-

Pay To The Order Of Mary Foster $15.00

Fifteen and 00/100 Dollars

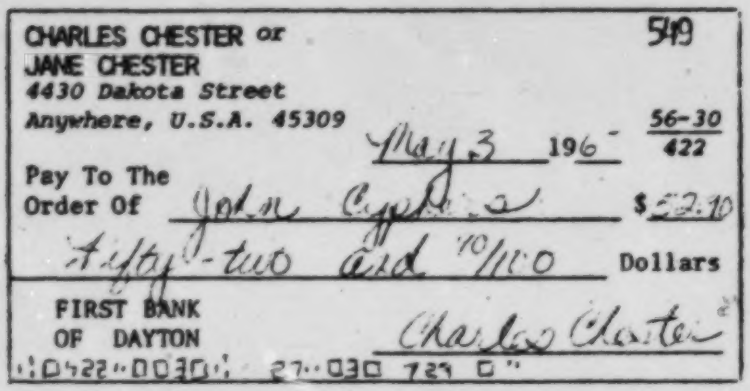
FIRST BANK
OF DAYTON

Jane Chester

⑆042200300⑆ 27 030 729 0"

Mary Foster

These endorsements are unacceptable.


CHARLES CHESTER or
JANE CHESTER
4430 Dakota Street
Anywhere, U.S.A. 45309

519

56-30
422

May 3 196-

Pay To The Order Of John Cipkins $52.10

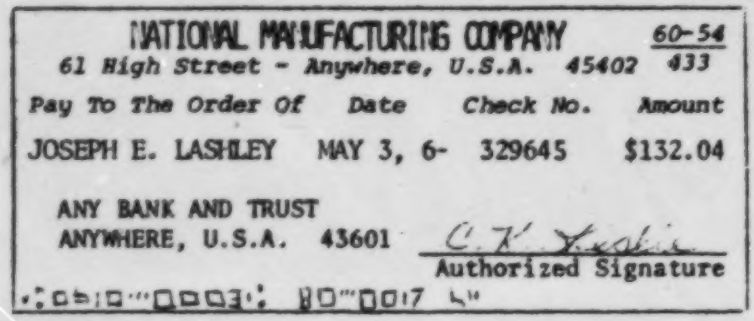
Fifty-two and 10/100 Dollars

FIRST BANK
OF DAYTON

Charles Chester

⑆042200300⑆ 27 030 729 0"

John Cipkins


NATIONAL MANUFACTURING COMPANY
61 High Street - Anywhere, U.S.A. 45402

60-54
433

Pay To The Order Of	Date	Check No.	Amount
JOSEPH E. LASHLEY	MAY 3, 6-	329645	$132.04

ANY BANK AND TRUST
ANYWHERE, U.S.A. 43601

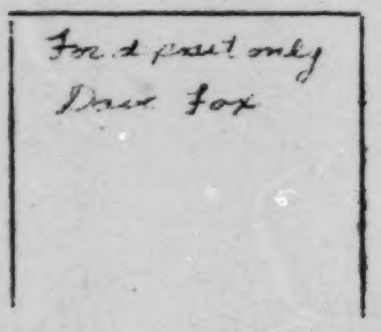
C. K. Jenkins
Authorized Signature

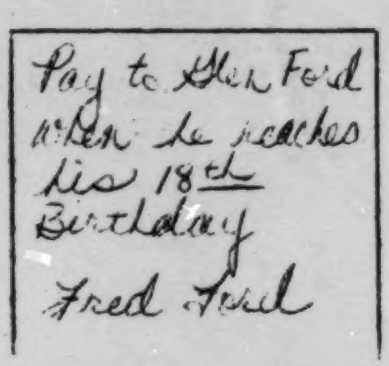
⑆074000300⑆ 80 0017 4"

Joseph Lashley

HANDOUT #12

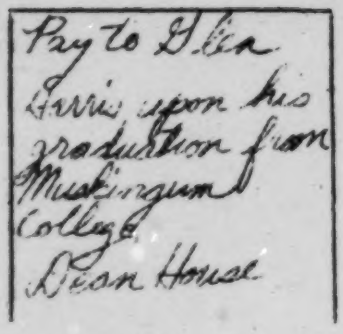
These endorsements are RESTRICTIVE because they say that the check must be cashed in a special way. In your job, checks with RESTRICTIVE ENDORSEMENTS are unacceptable.



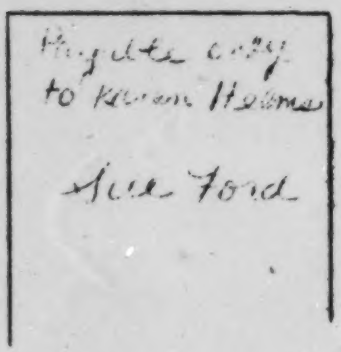


Which of the following checks are unacceptable?

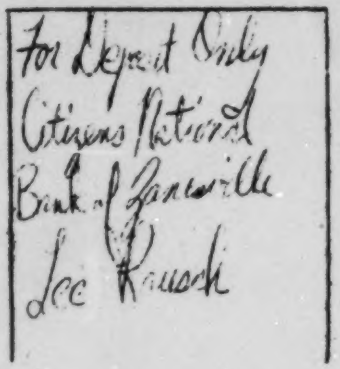
A.



B.



C.



HANDOUT #13

Which of the following are unacceptable and why?

A.

NATIONAL MANUFACTURING COMPANY
61 High Street - Anywhere, U.S.A. 45402

60-541
433

Pay To The Order Of	Date	Check Number	Amount
FRED BROOKS	DEC 8, 6-	1617	$245.00

NOT VALID FOR MORE THAN $100.00

ANY BANK AND TRUST
ANYWHERE, U.S.A. 43601

C. K. Lewis
Authorized Signature

⑆0610-0003⑆ 80-0017 4⑈

B.

ANY CITY, Dec. 8 19 6- NO. 4868

475

79-2424
610

ANY BANK AND TRUST
ANYWHERE, U.S.A.

Pay To The Order Of Fred Brooks $ 75.00

Seventy-five and 00/100 Dollars

REDEEMABLE AT
BANK'S HOME OFFICE

W. Harrison Smythe
Signature

⑆0810-2424⑆ 50-032 4⑈

C.

CHARLES CHESTER or
JANE CHESTER
5430 Dakota Street
Anywhere, U.S.A. 45309

550

May 1 19 6-

56-30
422

Pay To The Order Of Fred Brooks $ 25.00

Twenty-five and 00/100 Dollars

FIRST BANK
OF DAYTON

Jane Chester

⑆0422-0030⑆ 27 030 729 0⑈

HANDOUT #14

UNITED PRODUCTS CORPORATION
500 MADISON AVENUE
NEW YORK, NEW YORK 10022

NO. 2071

1-67
210

DATE April 15 19 6-

Pay One-hundred dollars and 10/100 ---------- Dollars $ 100.10

TO THE ORDER OF
James Garrett
Joan Garrett
101 Main Street
Zanesville, Ohio

UNITED PRODUCTS CORPORATION
D. K. Frame

IRVING TRUST COMPANY
ONE WALL STREET
NEW YORK

⑆0210⑆0067⑈242⑆0⑆24180⑈

James Garrett
Joan Garrett

HANDOUT #15

TWELVE IMPORTANT POINTS IN CASHING CHECKS

1. Make certain the check is encoded with routing numbers.
2. Always examine the date.
3. The amount written in words should agree with the amount written in figures.
4. Record the casher's address, phone, and two types of identification on the back side of the check.
5. Be certain the check is signed, and the signature corresponds with the identification offered.
6. Qualify each identification card by asking yourself these important questions: How much effort would it require to obtain such identification? Does the identification correspond with the person's appearance? Has it the quality of being genuine and unaltered?
7. Checks presented by persons other than the originator are two-party checks, which require special handling.
8. Avoid cashing checks outside your trading area.
9. For new customers, it is advisable to limit the first check to the amount of purchase or cost of services.
10. Do not accept checks altered in any manner or checks written in pencil.
11. After cashing check, initial it. Then endorse the check with your company's stamp "For Deposit Only".
12. Make certain the check is endorsed in your presence exactly as shown on the face of the check.

HANDOUT #16

GUIDELINES FOR CASHING CHECKS

1. Check the date. Accept no post-dated or pre-dated checks.
2. Check to whom it is made payable. Have all checks made payable to your company and for the amount of the purchase.
3. Check the amount in figures with the written amount.
4. Inspect the signature. Make sure it is legible and is the same as the printed personalized portion. Be sure that the check is endorsed in your presence.
5. Secure the address and telephone number of the passer if the check is not personalized.
6. Check bank code number and transit numbers.
7. Ask for identification. Multiple identifications are best.
8. If in doubt, call your supervisor or authorizer.
9. If driver's license is used for identification, compare the
   (a) Physical description and license with person cashing check; compare signature on both check and driver's license.
   (b) Write the driver's license number on the back of the check.
   (c) Write the state in which driver's license was issued.
10. Write your three initials on the upper right hand corner or on the back of check.
11. If possible, stamp check "For Deposit" before putting in cash register drawer. DO NOT ACCEPT THIRD PARTY CHECKS WITHOUT THE O.K. OF YOUR SUPERVISOR.
12. Do not become upset by the impatient or hurried customer.
13. Do not cash out-of-town checks on out-of-town banks. Strangers are more likely to be bad check passers. Professional bad check artists often work on weekends and on holidays.
14. Watch out for alterations, blots, blurs, illegible signature, retraced strokes, changes in ink or width of ink lines. If in doubt, DON'T ACCEPT THE CHECK.
15. REMEMBER -- A check is a worthless piece of paper unless it is filled out properly.
16. REMEMBER -- 99 out of 100 times, payroll checks end in cents.

HANDOUT #17

OBSERVE THESE "CHECK" POINTS WHEN CASHING A CHECK

Don't be bashful about asking questions concerning the check you are asked to cash. It's yours, or your boss's money, that's being paid out.

Don't cash checks for strangers unless they have proper identification.

Ask yourself always: "Could I find this person if his check bounces?" If you're not sure, don't cash his check.

The illicit "paper hanger" works fast, so take your time in investigating each check presented.

Be suspicious of the person with too much identification.

Do NOT accept these as identification: temporary driver's licence receipts, draft cards, poll tax receipts, hunting licenses, lodge cards, social security cards, birth certificates, marriage licenses, paid utility bills or pay stubs.

Remember that identification is meaningless if it is not checked thoroughly. And don't fail to make notations on the check about the payee's method of identification.

Place your O.K. and identification information on the right end of the check; the bank places their sticker on the left end.

Examine identification carefully for erasures or tampering. Remember that identification, like a check, can be forged.

Be certain that names and handwriting or identification matches that on the check. Carefully check endorsements and items on the face of the check for misspellings.

In accepting Army, Navy, Air Force, or Civil Service ID cards, be sure to record the proper serial numbers and base location.

When a driver's license is used as identification: Take it in your hand and compare the description of the check-passer with that on the license. Note expiration date. Write the license number on the back of the check yourself; the passer could easily transpose numbers.

Don't forget to name the state from which a driver's license is issued when accepting one as identification. Always record the number and issuing agent of other identification materials.

Recording height, weight, and approximate age of the passer on his check will help refresh your memory if there are questions later. Remember that a conviction cannot be obtained without your personal identification in court.

Always insist that the customer write his address and telephone number on his check. Don't be hesitant about being businesslike in paying out your money.

Be sure the endorsement on the back of the check is exactly the same as that on the front.

HANDOUT #17 (continued)

Demand that the person presenting a check endorse it in your presence. If it is already endorsed, have him endorse it again and compare signatures.

If a check is written on a customer's draft, make sure it is completely filled out.

Don't cash bank counter checks. These should be cashed only at the drawee bank.

Be wary of rubber-stamped checks. Most firms now have their bank "overprint" their checks.

Safety paper, printing presses and rubber stamps are easily obtained by crooks. Payroll and commercial-appearing checks are easy to counterfeit, so be cautious when accepting any check.

Don't be deceived by cashier's checks. Use as much precaution in cashing a cashier's check as you would with a personal check.

Be doubly cautious of the check presented outside banking hours or on a holiday. If there is any doubt in your mind, do not cash the check.

Don't cash out-of-town checks unless you are absolutely certain of the passer's identity.

Do not cash checks for juveniles.

Don't issue or cash checks written in pencil. They are too easily altered.

Don't leave the bank books, blank personal checks, or your signature lying about where it might be pilfered and used to a criminal's advantage later.

Never accept a check to be held for payment later. Don't accept post-dated checks. They are worthless.

Always try to get the license number of the car the customer is using. Write it down yourself.

HANDOUT #18

A. What would you say to a customer that presented this check?

LINCOLN TRUST COMPANY
AUGUSTA, MAINE

72-196
542

NO. 66

April 9 19 6-

Pay To The Order Of Fred's Foodtown $ 22.95

Dollars

Dave Dingey

1:59"3664 7"

B. What would you say to a customer that presented this check?

LINCOLN TRUST COMPANY
AUGUSTA, MAINE

72-196
542

NO. 67

April 10 19 6-

Pay To The Order Of Dave Dingey $ 50.00

Fifty and 00/100 Dollars

Charles Wing

1:59"3664 7"

HANDOUT #19

A. What would you say if this check were presented to you?

CHARLES CHESTER or
JANE CHESTER
5430 Dakota Street
Anywhere, U.S.A. 45309

548
56-30
422

Dec 20 19 6-

Pay To The Order Of Dan's Supermarket $ 21.50

Twenty-seven and 50/100 Dollars

FIRST BANK OF DAYTON

Charles Chester

⑆042200030⑆ 27-030 729 ⑈

B. The check below is written in pencil. What would you say to the customer?

CHARLES CHESTER or
JANE CHESTER
5430 Dakota Street
Anywhere, U.S.A. 45309

548
56-30
422

Aug 25 19 6-

Pay To The Order Of Dan's Supermarket $ 15.00

Fifteen and 00/100 Dollars

FIRST BANK OF DAYTON

Jane Chester

⑆042200030⑆ 27-030 729 ⑈

C. The check below is written in ink. What would you say to the customer?

BANK First Bank of Dayton

July 5 19 6-

PAY TO THE ORDER OF Dan's Supermarket $ 32.63

Thirty-two and 63/100 Dollars

Mary McLaury

HANDOUT #20

A. Today is December 8. What would you say if the check below were presented to you?

LINCOLN TRUST COMPANY
AUGUSTA, MAINE

NO. 701

Nov 1 19 6- 72-196 / 542

Pay To The Order Of Fred's Supermarket $ 10.00

Ten dollars and 00/100 Dollars

Frank Fry

⑆542⑈3664⑆ 7"

B. Today is December 8. What would you say if the check below were presented to you?

NATIONAL MANUFACTURING COMPANY
61 High Street - Anywhere, U.S.A. 45402

80-541 / 433

Pay To The Order Of	Date	Check Number	Amount
CARL FRENCH	OCT 30, 6-	4868	$175.00

ANY BANK AND TRUST
ANYWHERE, U.S.A. 43601

O K Hardie
Authorized Signature

⑆0660-0003⑆ 80-0017 4"

Carl French

HANDOUT #21

DO'S FOR CASHING CHECKS

Beware of strangers.

Take checks only for the amount of purchase.

Weigh the possible loss you may take against the possible gain you may make.

Compare the person with the description on the identification as to age, nationality, color of hair, signature, and take special notice of a photograph, if there is one.

Have personal checks made out in your presence and made payable to you.

Be doubly cautious on weekends and holidays.

Joint payees must endorse individually.

DON'TS FOR CASHING CHECKS

Establish the acceptability of any one identification.

Accept a combination of identification documents which are offered too readily. Ask for other items.

Cash checks when the customer's identification does not bear a specimen signature.

Forget to note the address, phone number, and other pertinent data about the customer on the back of the check, as well as the serial number and expiration date of the item of identification.

Accept checks with second endorsements from strangers.

Cash checks written on out-of-town banks or faraway addresses.

A signature preceded by "Mr." is generally bogus.

Honor a check which is illegible, or which has been tampered with as to date, amount, etc.

Do not accept counter checks no longer in use.

HANDOUT #22

BASIC PRECAUTIONS WHEN CASHING CHECKS

1. Don't let yourself be hurried when cashing checks.
2. Check-passers try to work fast, so take your time.
3. Always have the check endorsed in your presence.
4. Insist on positive identification---two identifications, and compare them.
5. Printed checks can be forgeries---could be stolen and then forged.
6. Government issued checks are favorites for stealing and forging.
7. Credentials can be forged---compare photos with eye color, age, etc.
8. Be sure the endorsement on the check is the same as the payee's name.
9. Compare endorser's signature with maker's---they may be by the same hand.
10. Be extra cautious of two-signature checks.
11. If suspicious, start stalling---prepare to call the bank or BBB.
12. When you stall, most suspects leave in a hurry.
13. Remember---holidays, evenings, and weekends are the favorites for check-passers.
14. On payroll, government, or company checks, ask yourself why the passer didn't use the bank for check cashing instead of you.
15. Counter checks are for use at banks---refuse them.
16. Don't accept out-of-state pay checks.
17. Watch for misspellings, particularly of maker's name; watch for omission of maker's name; watch for unusually high serial numbers (more than 5 digits).
18. Be extra cautious if there are alterations---payee's name can be altered, amounts raised, dates changed.
19. Record identification before paying---note on back or face of check.
20. Social Security numbers are worthless as identifications.
21. License plate numbers are better identification than driver's licenses.
22. Be suspicious of the "hard to sell" individual who returns two or three times to look at your goods or to discuss your services---this may be his build-up for your down-fall.

HANDOUT #22 (continued

23. Don't let a stranger bluff you---keep asking questions until you are reasonably sure the check is good.

24. Just because a check is perforated "Insured" doesn't mean you are!

25. Remember---99 out of 100 times, payroll checks end in cents.

HANDOUT #23

STOP PAYMENT CHECKS

A. Payor has requested paying bank to dishonor this item.

B. Stop payment orders are usually given for the two primary reasons:

   1. Dispute between parties

   2. Check lost or stolen

C. Only paying bank can determine if it holds a stop payment order.

   1. Cumbersome to determine this fact on small checks when presented to tellers.

   2. Merchants would be completely unaware.

D. A paying bank has direct loss if a stop payment check is either cashed or paid through clearing house.

   1. A merchant or endorser (other than payee) is legally known as a holder in due course.

   2. "A holder in due course" is not affected by a stop payment order and has a legal right to recover.

   3. Lengthy and costly proceedings may be necessary.

HANDOUT #24

PENALTIES FOR PASSING BAD CHECKS

A. Any bad check written for any amount up to $60 can cost the maker a fine of from $50 to $200 and/or a jail sentence of up to six months.

B. Any bad check written for any amount over $60 can cost the maker a fine of $200 and/or from one to seven years in jail.

TYPES OF BAD CHECKS

1. Those written with insufficient funds.
2. Post-dated checks.
3. Forgeries.
4. Those written on no account.
5. Those stolen.

THE AMERICAN BANKERS ASSOCIATION'S TEN COMMANDMENTS FOR CHECK CASHING!

1. Don't be afraid to ask questions about a check and its passer. Don't let a stranger hurry you.
2. Never cash a check that shows any sign of alteration.
3. Always demand that a check be endorsed in your presence. If it is already endorsed, make the endorser sign again, and then compare the writing.
4. Make sure that a check is drawn by an existing concern, or individual, or an actual bank.
5. Be just as wary of certified checks or cashier's checks as of ordinary ones.
6. Never cash checks for juveniles.
7. Never endorse a check for anyone you don't know to be reliable.
8. If you are a merchant, beware of any unknown customer who offers you a check for more than the amount of his purchase.
9. If a bankbook is offered as identification, phone the bank named.
10. Know the endorser.

HANDOUT #25

POSSIBLE SOLUTIONS IF BAD CHECKS ARE PARTICULARLY A LARGE PROBLEM TO YOU

1. Use check photos---bad check writers are camera shy.
2. Require fingerprints on back of checks.
3. Require customers to use your company's identification cards.
4. Ask for the telephone number of their residence and call before cashing checks.
5. Check with bank before cashing customer's check.
6. Keep an up-to-date list of known bad check passers and use it when in doubt.

ACCEPT CASH - NOT TRASH

"ALL STRANGERS ARE NOT PAPER HANGERS . . . . BUT ALL PAPER HANGERS ARE STRANGERS."

HANDOUT #26

10 FACTS NOT EVERYBODY KNOWS ABOUT CHECKS

(From "Changing Times", August, 1970)

Answers will vary from state to state because of banking practices.

1. Will a bank cash your check if the balance is not big enough to cover the amount?

   Generally, no. Some banks will honor the check and charge you, say, $3 for doing so. Others will simply "bounce" it back.

2. Is it illegal to post-date a check by writing in a date a week or two later?

   No, it's not illegal, although banks generally don't like the practice and usually will refuse to pay the check until the specified date. Sometimes they'll send it back.

3. What exactly are certified, cashier's, and bank checks?

   A certified check is your own personal check that is stamped by the bank to guarantee that sufficient funds stand behind the check. The bank sets that account and holds it until the check is presented. If you never use the check, you must return it to the bank to have the money recredited to your account---never tear up an unused certified check. Cashier's, treasurer's, bank, and officer's checks are all checks drawn by the bank the amount of the check plus a fee.

4. If the amounts in words and numbers on a check are different, which will the bank pay?

   It generally will pay the written amount on the theory that it is easier to make an error with figures than with words. Some banks refuse to honor such checks.

5. If someone steals your checkbook or finds one you've lost, are you responsible for checks he writes on your account?

   Basically, no. You can't be held responsible for payment of a check that has been forged. But this situation can cause many problems, so guard your checkbook closely and notify the bank promptly if it's missing.

6. If a forger increases the amount of a check you have written, must you pay the larger amount?

   No. You are responsible for the original amount. The bank must stand for the additional loss. Nevertheless, it's a good idea to make sure there's no blank space left on the check for this kind of trickery.

HANDOUT #26 (continued)

7. What's involved in a stop-payment order?

   Most banks will accept an oral stop order on the telephone, but you must go into the bank soon after to fill out a written stop-payment order. The bank then alerts its employees and flags the account so that the check is rejected when it is presented for payment. Legally, the bank must be given "reasonable" time to put the order into effect.

8. Are parents legally responsible for their child's checking account?

   Not in most states. Virtually every state has statutes permitting minors to have accounts. If a bank agrees to open an account for a minor, the deal is strictly between those two parties and the parents are not involved. If a minor overdraws his account, that's the bank's problem. It's well, however, for any parent to keep tabs on a youngster's account.

9. If you receive a check, then endorse it and give it to someone for payment for a bill, are you responsible if the check turns out to be bad?

   Practically speaking, as the endorsee you are responsible. You in turn can try to get your money back from the person who gave you the check in the first place.

10. Will your checks be sent back to you if the inadvertently put them in the wrong envelopes when paying your bills?

    They may not. Store clerks faced with totaling huge bundles of checks may look only at the amount. The bank's machinery will read only the magnetic ink on the account number, and no one may even notice that the check is being credited to the wrong store. It can be troublesome and embarrassing and may cost you a service charge for underpaying your bill. You have a legitimate complaint if your bank cashes a check endorsed by the wrong party, but the only sure way to avoid the whole situation is to get the right checks into the right envelopes.

BAD CHECK CLINIC

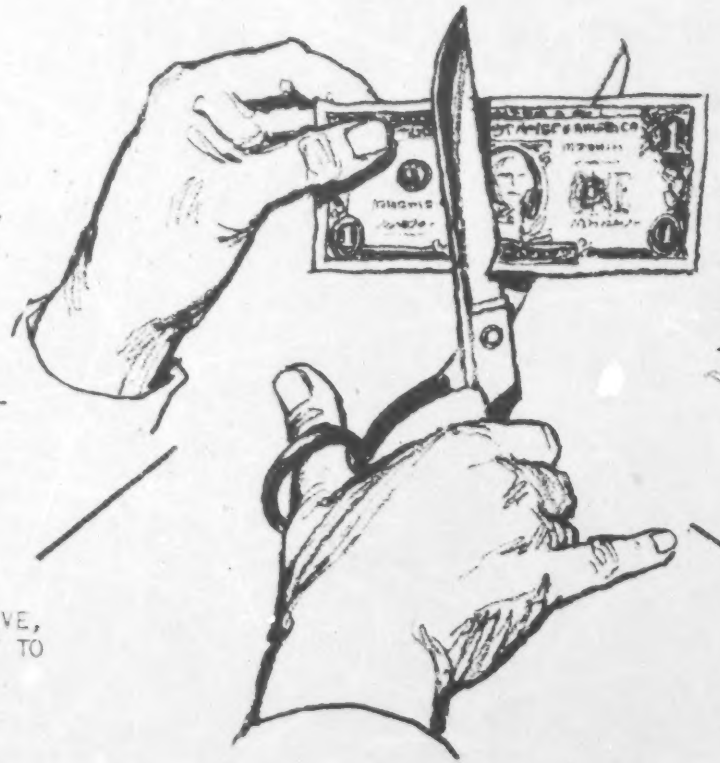
PURPOSE: To aid the retailer in the detection of bogus checks.

WHEN:

WHERE:

INSTRUCTOR:

COST:



MATERIALS UTILIZED ARE COMPREHENSIVE, UP-TO-DATE, AND RELEVANT TO SUBJECT.

FOR FURTHER INFORMATION CONTACT:

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STATE OF OHIO

HANDOUT #27

72

BAD CHECK CLINIC

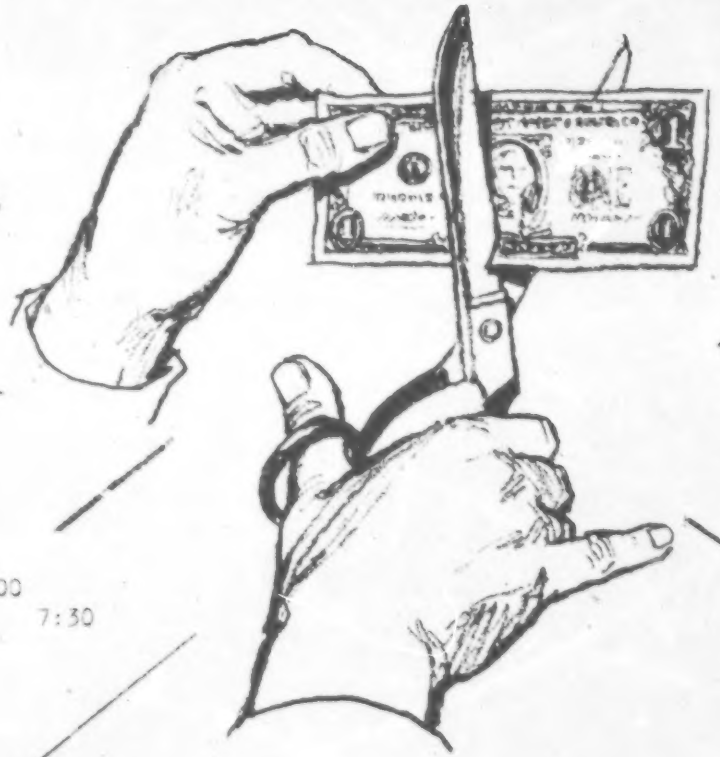
PURPOSE: To aid the retailer in the detection of bogus checks.

WHERE:

WHEN:

INSTRUCTOR:

COST:



EACH SESSION TO BEGIN AT:

8:30 10:00 11:30 1:00
2:30 4:00 6:30 7:30

FOR FURTHER INFORMATION CONTACT:

MATERIALS UTILIZED ARE COMPREHENSIVE, UP-TO-DATE, AND RELEVANT TO SUBJECT.

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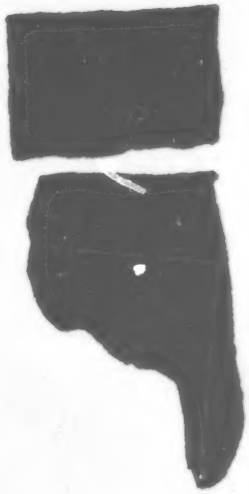
HANDOUT #28

HANDOUT #29

FREE TAKE ONE



HANDOUT #30

NAME

ORGANIZATION

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